

WOMEN'S BUSINESS DEVELOPMENT CENTER

**Financial Statements and
Independent Auditors' Report**

For the Year Ended June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Women's Business Development Center

Report on the Financial Statements

We have audited the accompanying financial statements of **Women's Business Development Center ("WBDC")**, a nonprofit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the WBDC as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the WBDC's 2020 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated December 23, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Illinois Grant Accountability and Transparency Act Consolidated Year-End Financial report on page 29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of the WBDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WBDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the WBDC's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dado J. Renteria". The signature is written in a cursive style with a large initial 'D'.

Chicago, Illinois
December 16, 2021

WOMEN'S BUSINESS DEVELOPMENT CENTER
STATEMENT OF FINANCIAL POSITION
As of June 30, 2021
(with summarized comparative totals for 2020)

	2021	2020
ASSETS		
Cash	\$ 4,585,645	\$ 2,651,050
Contributions Receivable	1,140,215	514,750
Government Grants Receivable	541,350	462,210
Miscellaneous Receivables	13,992	19,869
Certificate of Deposit	100,652	100,000
Prepaid Expenses	46,684	35,741
Notes Receivable - Microloans, Net of Reserve of \$92,000 and \$72,000, Respectively	173,819	333,355
Property and Equipment, Net	105,562	109,735
Security Deposit	7,838	6,738
TOTAL ASSETS	\$ 6,715,757	\$ 4,233,448
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 101,814	\$ 89,752
Accrued Expenses	707,500	2,799
Awards Payable	180,000	-
Accrued Payroll and Related Taxes	91,899	74,723
Accrued Compensated Absences	92,534	85,790
Government Advance	79,094	182,968
Deferred Rent	38,145	52,884
Deferred Revenue	-	1,775
PPP Loan Payable	571,362	569,357
Total Liabilities	1,862,348	1,060,048
Net Assets		
Without Donor Restrictions		
Board-Designated	1,654,340	1,631,446
Undesignated	2,648,139	770,174
With Donor Restrictions	550,930	771,780
Total Net Assets	4,853,409	3,173,400
TOTAL LIABILITIES AND NET ASSETS	\$ 6,715,757	\$ 4,233,448

The accompanying Notes are an integral part of these Financial Statements.

WOMEN'S BUSINESS DEVELOPMENT CENTER
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021
(with summarized comparative totals for 2020)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>2021</u>	<u>2020</u>
REVENUES AND SUPPORT				
Public Support				
Contributions	\$ 1,048,457	\$ 1,549,585	\$ 2,598,042	\$ 2,528,272
Grants - Governmental Agencies	125,112	33,633,520	33,758,632	2,023,772
Grants - Governmental PPP Loan Forgiveness	569,357	-	569,357	-
Total Public Support	<u>1,742,926</u>	<u>35,183,105</u>	<u>36,926,031</u>	<u>4,552,044</u>
Other Revenue				
Seminars	36,184	-	36,184	134,285
Fees from Women's Business Owners	1,339,253	-	1,339,253	1,185,189
Fee Income from National Certification Organization	247,639	-	247,639	212,394
Fees for Loan Administration	-	60,944	60,944	-
Loan Fees	2,769	-	2,769	2,188
Interest and Dividend Income	2,598	-	2,598	4,095
Program Interest	25,225	-	25,225	33,572
Total Other Revenue	<u>1,653,668</u>	<u>60,944</u>	<u>1,714,612</u>	<u>1,571,723</u>
Net Assets Released from Restrictions	<u>35,464,899</u>	<u>(35,464,899)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>38,861,493</u>	<u>(220,850)</u>	<u>38,640,643</u>	<u>6,123,767</u>
EXPENSES				
Program Services	36,311,992	-	36,311,992	4,978,636
Management and General	405,501	-	405,501	495,192
Fundraising	243,141	-	243,141	246,682
TOTAL EXPENSES	<u>36,960,634</u>	<u>-</u>	<u>36,960,634</u>	<u>5,720,510</u>
CHANGE IN NET ASSETS	<u>1,900,859</u>	<u>(220,850)</u>	<u>1,680,009</u>	<u>403,257</u>
NET ASSETS, Beginning of Year	<u>2,401,620</u>	<u>771,780</u>	<u>3,173,400</u>	<u>2,770,143</u>
NET ASSETS, End of Year	<u>\$ 4,302,479</u>	<u>\$ 550,930</u>	<u>\$ 4,853,409</u>	<u>\$ 3,173,400</u>

The accompanying Notes are an integral part of these Financial Statements.

WOMEN'S BUSINESS DEVELOPMENT CENTER
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(with summarized comparative totals for 2020)

	Emerging Business	Established Business	Access to Capital	Child Care	Certification	Conferences	Veterans Program	Total Program Services	Management and General	Fundraising	2021 Total	2020 Total
Salaries and Related Expenses												
Salaries	\$ 317,444	\$ 1,113,546	\$ 349,734	\$ 107,475	\$ 366,964	\$ 38,397	\$ 35,369	\$ 2,328,929	\$ 161,443	\$ 158,781	\$ 2,649,153	\$ 2,501,706
Group Benefits	34,527	120,446	36,020	11,691	40,939	4,291	3,799	251,713	17,390	17,302	286,405	251,746
Employees' Savings 401k Plan	9,627	32,858	8,545	3,037	11,328	1,217	1,117	67,729	4,815	4,638	77,182	67,307
Payroll Taxes	22,969	80,353	25,171	7,767	26,483	2,796	2,555	168,094	11,667	11,478	191,239	183,301
Total Salaries and Related Expenses	384,567	1,347,203	419,470	129,970	445,714	46,701	42,840	2,816,465	195,315	192,199	3,203,979	3,004,060
Advertising and Promotional	1,916	7,111	973	492	1,588	336	135	12,551	769	818	14,138	10,253
Amortization and Depreciation	6,056	21,293	6,088	2,048	7,133	722	669	44,009	3,093	3,002	50,104	36,725
Write off of disposed equipment	1,462	5,139	1,469	494	1,722	174	162	10,622	746	724	12,092	-
Provision for Uncollectible Accounts	-	25,000	-	-	-	-	-	25,000	-	-	25,000	-
Provision for Uncollectible Microloans, net of Recoveries	-	-	30,868	-	-	-	-	30,868	-	-	30,868	11,543
Bank and Credit Card Charges	7,792	26,252	8,482	2,598	9,272	1,042	877	56,315	4,208	3,859	64,382	59,475
Conferences, Trainings and Meetings	6,328	13,808	1,109	1,568	8,482	7,722	92	39,109	613	436	40,158	246,794
Equipment Rental, Repairs and Maintenance	1,605	5,592	1,770	537	1,872	194	180	11,750	815	808	13,373	13,694
Grant Award Expense	-	-	31,471,402	-	-	-	-	31,471,402	-	-	31,471,402	975,000
Insurance	5,026	15,961	5,518	1,686	6,231	739	564	35,725	2,347	2,337	40,409	31,240
Loan Origination Fees	-	-	4,462	-	-	-	-	4,462	-	-	4,462	6,712
Occupancy	46,691	92,044	27,621	8,418	44,995	3,040	2,846	225,655	12,798	12,381	250,834	270,651
Office Expense	4,039	14,739	3,177	1,125	4,586	1,157	348	29,171	1,533	1,818	32,522	52,172
Postage and Shipping	1,130	4,023	910	361	1,469	140	122	8,155	481	437	9,073	4,279
Printing	-	-	-	-	-	-	-	-	99	-	99	17,081
Professional Fees	3,633	12,260	4,102	1,210	4,536	511	407	26,659	158,733	1,773	187,165	180,146
Program Supplies	14,724	26,591	-	-	-	-	-	41,315	-	-	41,315	26,817
Services - Center	17,431	175,827	18,485	5,857	21,743	72,246	1,932	313,521	8,868	8,728	331,117	174,498
Services - Technology	76,205	74,941	26,129	5,894	21,593	38,039	2,048	244,849	9,053	8,594	262,496	126,385
Services - Client	270,080	291,565	228,544	2,303	12,488	6,134	18,197	829,311	3,717	3,477	836,505	336,298
Subscription and Dues	1,568	2,750	504	177	590	54	57	5,700	557	268	6,525	9,172
Telephone	3,984	11,034	3,467	1,011	3,638	367	351	23,852	350	1,471	25,673	21,287
Travel	17	44	17	6	5,437	3	2	5,526	1,406	11	6,943	106,228
Total	\$ 854,254	\$ 2,173,177	\$ 32,264,567	\$ 165,755	\$ 603,089	\$ 179,321	\$ 71,829	\$ 36,311,992	\$ 405,501	\$ 243,141	\$ 36,960,634	\$ 5,720,510

The accompanying Notes are an integral part of these Financial Statements.

WOMEN'S BUSINESS DEVELOPMENT CENTER
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021
(with summarized comparative totals for 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 1,680,009	\$ 403,257
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	50,104	36,725
Write Off of Disposed Equipment	12,092	-
Amortization of Deferred Rent	(14,739)	(8,516)
Provision for Uncollectible Microloans, Net of Loan Recovery	20,000	2,000
Provision for Uncollectible Accounts	25,000	-
(Increase) Decrease in Operating Assets:		
Contributions Receivable	(650,465)	(196,075)
Government Grants Receivable	(79,140)	(239,599)
Miscellaneous Receivables	5,877	5,790
Prepaid Expenses	(10,943)	8,832
Security Deposits	(1,100)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	12,062	36,069
Accrued Expenses	704,701	2,799
Awards Payable	180,000	-
Accrued Payroll and Related Taxes	17,176	25,147
Accrued Compensated Absences	6,744	21,949
Government Advance	(103,874)	182,968
Deferred Revenue	(1,775)	1,775
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,851,729	283,121
CASH FLOWS FROM INVESTING ACTIVITIES		
Microloans Made	(62,808)	(52,000)
Collections of Microloans	202,344	209,179
Purchases of Property and Equipment	(58,023)	(85,312)
Withdrawals from Certificate of Deposit	-	54,793
Deposits in Certificate of Deposit	(652)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	80,861	126,660
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from PPP Loan Payable	571,362	569,357
Forgiveness of PPP Loan	(569,357)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	2,005	569,357
NET INCREASE IN CASH	1,934,595	979,138
CASH, Beginning of Year	2,651,050	1,671,912
CASH, End of Year	\$ 4,585,645	\$ 2,651,050

The accompanying Notes are an integral part of these Financial Statements.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 1 – NATURE OF ACTIVITIES

The Women's Business Development Center (WBDC) is a 35-year-old economic development organization, incorporated in 1986 as an Illinois not-for-profit corporation. Its founders believed that business ownership was the critical path for women's economic empowerment and self-sufficiency. During the ensuing years, the WBDC has responded to shifting Chicagoland demographics and community needs, which has expanded its mission and focus to serve other underserved populations and communities. Its mission today is to support and accelerate business development and growth, targeting women and serving all diverse entrepreneurs, in order to strengthen their participation in, and impact on, the economy.

The WBDC is headquartered in Chicago, Illinois, with offices in Aurora, Richton Park, and the Little Village neighborhood. It also serves a nine-state Midwest region as a third-party certifier of Women Business Enterprises (WBE's) as part of the Women's Business Enterprise National Council (WBENC). The WBDC territory is inclusive of Illinois, Wisconsin, Minnesota, Iowa, Kansas, Missouri, Nebraska, North Dakota, and South Dakota. Its major markets, in which it has offices and staff, are Chicago, Milwaukee, Twin Cities, Kansas City, and St. Louis.

The WBDC provides a range of programs and services for successive stages of the business life cycle, including:

- Individualized advising
- Specialized curricula and workshops
- Procurement and matchmaking opportunities
- Government contracting assistance
- Financial education, debt and equity placement, and direct lending
- Women's business enterprise (WBE) certification

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

WBDC's financial statements are prepared in accordance with accounting principles generally accepted in United States of America (GAAP).

Net assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available to finance the general operations of WBDC. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of WBDC, the environment in which it operates and the purposes specified in its Articles of Incorporation. Voluntary resolutions by the Board of Directors to designate a portion of WBDC's net assets without donor restrictions for specified purposes do not result in restricted funds. Since designations are voluntary and may be reversed by the Board of Directors at any time, designated net assets are included under the caption "net assets without donor restrictions."

**WOMEN’S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Assets without donor restrictions - Continued

WBDC’s Board-designated net assets without donor restrictions as of June 30, 2021 and 2020 consists of an operating reserve, loan fund and technology reserve. The Board designated that any remaining loan principal after the expiration of grants of loan funds should continue to be used to make loans in the future. During the year ended June 30, 2021 the Board created a technology reserve to cover future technology needs. Board-designated unrestricted net assets as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Operating reserve	\$ 486,992	\$ 486,992
Loan fund	1,117,348	1,144,454
Technology reserve	<u>50,000</u>	<u>-</u>
Total board-designated	<u>\$ 1,654,340</u>	<u>\$ 1,631,446</u>

Net assets with donor restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Recent accounting pronouncements:

Effective July 1, 2020, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires that the Organization recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The guidance uses a principles-based approach for determining revenue recognition, eliminates the transaction and industry specific guidance, and establishes a five-step approach for the recognition of revenue. As disclosed in Note 3, the Organization implemented this standard during the year ended June 30, 2021 using the modified retrospective method, which applies to contracts that have remaining obligations as of July 1, 2019 and new contracts entered into subsequent to July 1, 2019. The adoption of this standard did not materially impact the financial statements of the Organization.

Cash:

Cash consists of cash and other highly liquid investments with an original maturity of three months or less when purchased.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Grants and pledges receivable:

Grants and pledges receivable include unconditional promises to give. All unconditional promises to give are expected to be collected during the succeeding year; therefore, no present value discount was applied to the balance. Management has determined that the contributions and grants receivable are fully collectible; therefore, no allowance for uncollectible accounts was considered necessary at June 30, 2021 and 2020.

Property and equipment and related depreciation and amortization:

Leasehold improvements and purchased office equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. Major additions and improvements of \$5,000 or more are capitalized while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed currently. Depreciation is computed over the estimated useful lives of the related assets using the straight-line method. Amortization of leasehold improvements is computed over the lesser of the useful life of the improvement or the life of the lease using the straight-line method.

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2021 and 2020

Fair value of financial instruments:

Cash and certificate of deposit

Cash and certificate of deposit are recorded at carrying value which approximates fair value.

Investments

Investments are recorded at fair value in the accompanying financial statements. Fair value is determined based on the fair value measurement principles prescribed by the Financial Accounting Standard Board.

Government advance:

Government grants received for which qualifying expenses have not yet been incurred as of June 30 are recorded as government advance.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Deferred rent:

WBDC records rent expense on a straight-line basis over the life of the related leases. The difference between rent expense recorded and the amount paid is reflected as deferred rent in the statement of financial position.

Deferred revenue:

Seminars revenue received by June 30 that will be earned after June 30 is recorded as deferred revenue.

Contributed goods and services:

Contributed goods are reflected as contributions at their fair value at date of donation and are reported as without donor restrictions unless explicit donor stipulations specify how donated assets must be used. WBDC recognizes the fair value of contributed services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. During fiscal years 2021 and 2020, the Organization estimated and recorded contributions for professional services, advertising, volunteer speakers, consulting, airline tickets, and rent in the amount of \$143,618 and \$194,312, respectively.

WBDC receives services from a large number of volunteers who give significant amounts of their time to WBDC but do not meet the criteria for financial statement recognition. During each of fiscal years 2021 and 2020, management estimates the Organization received approximately 1,555 and 1,940 hours of volunteer services valued at \$107,650 and \$116,500, respectively.

Contributions Recognition:

WBDC recognizes contributions when cash, securities or other assets, and unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Functional allocation of expenses:

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses except for provision for uncollectible microloans, loan origination fees and program supplies were allocated on the basis of estimates of time and effort. Certain costs directly attributable to one program or supporting function are charged directly to that function.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

Comparative totals from prior years:

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with WBDC's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Effective July 1, 2019, the Organization adopted Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires that the Organization recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. The guidance uses a principles-based approach for determining revenue recognition, eliminates the transaction and industry-specific guidance, and establishes a five-step approach for the recognition of revenue.

Performance obligations:

The Organization's revenue is primarily derived from services to business owners, seminars, fees from Women's business enterprise (WBE) certification, and fees for loan administration. There is no variable consideration with these revenue streams.

The Organization charges a fee for selected seminars. The transaction price is the price of attending the seminars and revenue is earned at the point in time when the seminar is held.

The Organization is a third-party certifier of the Women's Business Enterprise (WBE) certification for businesses owned, operated and controlled by women in the United States. The transaction price is the certification fee and is earned at the time the application is submitted to the Organization.

The Organization receives a fee from the National Certification Organization (NCO) for work done throughout the year as a Regional Partner Organization (RPO), Midwest Region. The three performance obligations are processing certifications, marketing the certification program, and marketing special events of the NCO. The transaction price consists of two components. A fixed fee and a performance-based fee calculated using the NCO's annual budget. The fixed fee is immaterial to the financial statements as a whole. The performance-based fee consists of WBDC's proportionate share of a revenue pool allocated among the fourteen RPOs. WBDC's share of the performance-based fee is not

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 3 – REVENUE FROM CONTRACTS WITH CUSTOMERS - Continued

Performance obligations: - continued

determinable until such time as WBDC is informed by the NCO. Revenue is earned when payment is received.

The Organization provided loan administration services for a one-time COVID-19 grant. The performance obligation of administering the loans is simultaneously received and consumed by the grantor; therefore, the revenue is recognized ratably over the period of time that the loans were being administered.

Disaggregation of revenue:

Revenue from contracts with customers disaggregated by category for the year ended June 30, 2021 is as follows:

<u>Year ended June 30, 2021</u>	<u>Amount</u>
Seminars	\$ 36,184
Fees from Women's Business Owners	1,339,253
Fee Income from National Certification Organizations	247,639
Fees for Loan Administration	60,944
<u>Total revenue</u>	<u>\$1,684,020</u>

Contract balances:

There were no accounts receivable or contract assets related to revenue from contracts with customers at June 30, 2021, 2020 and 2019.

Contract liabilities consist of seminars revenue received by June 30 that will be earned after June 30. Contract liabilities were \$0, \$1,775, and \$0 at June 30, 2021, 2020 and 2019, respectively.

Significant judgements:

Significant judgements are required to be made by management to determine the appropriate approach to applying revenue recognition criteria. Significant judgement was also required when determining whether revenue from contracts with customers was earned at a point in time or over time.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 4 – COVID-19 IMPACT

On March, 11, 2020, the World Health Organization (WHO) recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy.

During the COVID-19 pandemic, the Organization's services have generally been considered essential in nature and have not been materially interrupted. However, all in person seminars and events were transitioned to virtual events. Additionally, many of these events that the Organization previously charged a fee to attend, were offered during the year ended June 30, 2021 without charge. The financial impact of this is not quantifiable.

As the situation continues to evolve, the Organization is closely monitoring the impact of the COVID-19 pandemic on all aspects of the Organization's business, including how it impacts the Organization's donors, suppliers, vendors, and employees, in addition to how the COVID-19 pandemic impacts the Organization's ability to provide services to small business owners. The Organization believes the ultimate impact of the COVID-19 pandemic on its operating results, cash flows, and financial condition is likely to be determined by factors which are uncertain, unpredictable, and outside of the Organization's control. The situation surrounding COVID-19 remains fluid, and if disruptions do arise, they could materially adversely impact the Organization.

NOTE 5 – TAX STATUS

WBDC is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes pursuant to Section 501(a) of the Code. In addition, the IRS has determined that WBDC is not a private foundation within the meaning of Section 509(a) of the Code.

WBDC has adopted the requirements for accounting for uncertain tax positions and management has determined that WBDC was not required to record a liability related to uncertain tax positions as of June 30, 2021 and 2020.

WBDC is no longer subject to examination by the Internal Revenue Service for years prior to 2018.

NOTE 6 – LIQUIDITY AND AVAILABILITY

WBDC strives to maintain liquid financial assets sufficient to cover six months of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments. The following table reflects WBDC's financial assets as of June 30, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 6 – LIQUIDITY AND AVAILABILITY – Continued

June 30,	2021	2020
Financial Assets at year-end:		
Cash & certificates of deposit	\$ 4,686,297	\$ 2,751,050
Contribution and miscellaneous receivable	1,154,207	534,619
Government receivable	541,350	462,210
Notes receivable - microloans	173,819	333,355
Total financial assets	6,555,673	4,081,234
Less amounts not available to use within one year		
Notes receivable - microloans	130,658	127,297
Net assets with donor restrictions	25,000	100,000
Financial assets available to meet general expenditures within one year	\$ 6,400,015	\$ 3,853,937

WBDC regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. WBDC monitors liquidity by reviewing monthly financial statements, preparing monthly budgetary projections, and monitoring cash and receivables.

In addition to financial assets available to meet general expenditures over the next 12 months, WBDC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

WBDC's governing board has designated a portion of its without donor restrictions resources for other purposes. These board designated net assets remain available and may be spent at the discretion of the Board.

**WOMEN’S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 7 – PROPERTY AND EQUIPMENT

The components of property and equipment were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Computers	\$ 174,956	\$ 122,312
Furniture and Fixtures	75,800	75,800
Equipment	33,359	40,072
Leasehold Improvements	105,201	105,201
	<u>389,316</u>	<u>343,385</u>
Less accumulated depreciation and amortization	(283,754)	(233,650)
Property and equipment, net	<u>\$ 105,562</u>	<u>\$ 109,735</u>

NOTE 8 – CONCENTRATION OF CREDIT RISK

WBDC maintains its cash balances in bank accounts which, at times, may exceed federally-insured limits. Management believes that WBDC is not exposed to any significant credit risk on cash.

NOTE 9 – NOTES RECEIVABLE - MICROLOANS

WBDC provides access to capital to support the growth of women owned businesses. The notes receivable-microloans balance includes loan principal plus fees and consists of twenty-two promissory notes ranging from \$7,250 to \$77,500. The interest rates range from 3% to 12% and maturity dates through July of 2024. Notes expected to be collected in one year up to five years are recorded at net realizable value because that amount, although not equivalent to the present value of estimated future cash flows, results in a reasonable estimate of fair value. The allowance for uncollectible microloans is \$92,000 and \$72,000 at June 30, 2021 and 2020, respectively.

NOTE 10 – LINE OF CREDIT

The Organization has a revolving credit facility evidenced by a promissory note that is restricted for providing small business loans. The note allows for borrowings up to \$500,000. Under the terms of the note, the Organization is obligated to make interest only payments to the Lender on outstanding balances beginning on January 1, 2020 and continuing on the first day of each April, July, October and January thereafter to and including July 1, 2024. A final payment of all outstanding principal and unpaid interest is due at maturity, September 25, 2024. There were no advances on the note as of June 30, 2021.

The note is collateralized by all assets of the Organization up to the outstanding amount of the loan and is subject to various covenants. The Lender's security interest in the collateral remains until all of the indebtedness has been paid and satisfied in full by the Organization. Thereafter, the Lender shall release its security interest in the Organization’s collateralized assets.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 10 – LINE OF CREDIT - Continued

The note bears interest determined on the date and on the amount borrowed. The interest rate will be 2.52% per annum at the time of the borrowing.

NOTE 11 – PAYCHECK PROTECTION PROGRAM LOANS

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, commonly referred to as the CARES Act, was signed into law. One component of the CARES Act was the Paycheck Protection Program (PPP) which provides businesses with funding to maintain their payroll and cover applicable overhead. The PPP was implemented by the Small Business Administration (SBA) with support from the Department of the Treasury. The PPP provides funds to pay up to 24 weeks of payroll costs including benefits. Funds can also be used for other allowable costs. During the year ended June 30, 2020, the Organization applied for and received its first PPP loan of \$569,357 (PPP 1). PPP 1 was a two-year loan with a maturity date of April 20, 2022. The loan bears an annual interest rate of 1%. The Organization accounted for the PPP 1 loan under the debt model. During the year ended June 30, 2021, the Organization applied for and received forgiveness of the entire PPP 1 loan balance. The loan forgiveness of \$569,357 is recorded as grants – governmental PPP loan forgiveness on the statement of activities.

In March 2021, the Organization applied for and received a second PPP loan in the amount of \$571,362 (PPP 2). PPP 2 has a maturity date of March 1, 2026 and bears interest at a rate of 1% per year.

The Organization has accounted for the PPP 2 loan under the debt model in which the loan will remain a liability of the Organization until such time the Organization's application for forgiveness is approved by the SBA. Loan forgiveness is subject to the approval of the lender and the SBA. The Organization is eligible for loan forgiveness in an amount equal to payments for salaries and other allowable costs made during the 24-week period beginning on the loan disbursement date. It is the Organization's intent to apply for loan forgiveness under the provisions of Section 1106 of the CARES Act. At the time the application for forgiveness is approved, the Organization will recognize revenue to the extent of the amount forgiven. The Organization has up to 10 months after the end of the 24-week period following the loan disbursement date to apply for loan forgiveness. To the extent that all or part of the PPP 2 loan is not forgiven, principal and interest payments are deferred until such time the SBA remits the loan forgiveness amount to the lender or, if the application for loan forgiveness is not submitted within 10 months after the end of the 24-week period following disbursement date, then payments are to begin at that time.

If the Organization were to not apply for forgiveness by 10 months after the end of the 24-week covered period, principal payments due on the PPP loan would be as follows:

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 11 – PAYCHECK PROTECTION PROGRAM LOANS – Continued

Year ending June 30:	Amount
2022	\$ 5,708
2023	152,219
2024	153,748
2025	155,293
2026	104,394
Total	\$ 571,362

NOTE 12 – LEASES

WBDC occupies office spaces in Chicago, Illinois under a lease which was due to expire February 28, 2023 and provides for base rent with three percent annual increases. In addition, the lease includes operating expenses and real estate tax increases over the base year, as defined in the lease. Subsequent to year end WBDC renegotiated the lease extending the lease term to February 28, 2026.

WBDC also leases office space in various other cities under short-term lease agreements. Subsequent to year end, WBDC relocated the Minnesota office and entered into a 36-month lease that is due to expire July 31, 2024. The lease calls for monthly payments of \$1,100.

Occupancy expense for the years ended 2021 and 2020 for these leases was \$250,834 and \$270,651, respectively.

Future minimum lease payments under all operating agreements are as follows:

Year ended June 30,	
2022	\$ 232,094
2023	239,793
2024	239,760
2025	234,456
2026	158,648
	<hr/>
	\$ 1,104,751

**WOMEN’S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 13 –NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	<u>2021</u>	<u>2020</u>
Access to Capital Program	\$ 241,210	\$ 205,000
Certification Scholarships	3,536	5,830
Childcare Education	-	95,409
Latina Entrepreneurial Accelerated Development Program	-	25,000
Pitch Competition	7,500	7,500
Regional Programming	67,500	12,500
ScaleUp Program	120,211	245,623
Small Business Relief Grants	2,013	2,013
Supplier Diversity	108,960	120,405
Veterans Program	-	52,500
	<hr/>	<hr/>
Total Net Assets With Donor Restrictions	\$ 550,930	\$ 771,780

NOTE 14 – RETIREMENT FUND COMMITMENTS

WBDC sponsors an employees’ savings plan (the Plan) which qualifies under Section 401(k) of the Code. The plan is administered by a plan administrator. Eligibility requirements are defined by the plan. For the fiscal years ended June 30, 2021 and 2020, WBDC contributed an amount based on participants' compensation and amount of compensation deferred. Total contributions by WBDC for the fiscal years ended June 30, 2021 and 2020 were \$77,181 and \$67,307, respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

WBDC has received funds from state and federal grants in the current year which are subject to audits by granting agencies. Management believes that any adjustments that might arise from these audits would be insignificant to WBDC’s operations.

NOTE 16 – SUBSEQUENT EVENTS

As described in Note 12, WBDC renegotiated the lease for office space in Chicago, Illinois in October 2021. Additionally, WBDC entered into a new three-year lease for office space in St. Paul, Minnesota in August 2021.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021**

NOTE 16 – SUBSEQUENT EVENTS - Continued

In July 2021, WBDC received a private foundation grant for \$500,000 to fund general operations. Additionally, in August 2021, WBDC received approximately \$1,300,000 from the State of Illinois to provide technical assistance to small business owners.

Management has evaluated subsequent events through December 16, 2021, the date that the financial statements were available to be issued.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended June 30, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number	Contract Number	Provided to Subrecipients	Project Year	Total
Department of Defense:					
Pass-through program from Illinois Department of Commerce & Economic Opportunity: Procurement Technical Assistance for Business Firms	12.002	21-601115		July 1, 2020 - June 30, 2021	\$ 127,387
U.S. Department of Housing and Urban Development:					
Pass-through programs from Cook County of Illinois: Community Development Block Grant Program	14.218	1911-092		October 1, 2019 - September 30, 2020	15,783
Community Development Block Grant Program	14.218	2011-057		October 1, 2020 - September 30, 2021	53,789
Total Community Development Block Grant Program					<u>69,572</u>
U.S. Small Business Administration					
Women's Business Ownership Assistance - Chicago	59.043	SBAHQ-17-W-0025		September 30, 2019 - September 29, 2020	37,500
Women's Business Ownership Assistance - Aurora	59.043	SBAHQ-15-W-0029		September 30, 2019 - September 29, 2020	43,866
Women's Business Ownership Assistance - Chicago	59.043	SBAHQ-20-W-0022		September 30, 2020 - September 29, 2023	98,664
Women's Business Ownership Assistance - Aurora	59.043	SBAHQ-20-W-0021		September 30, 2020 - September 29, 2023	108,441
COVID-19 Women's Business Ownership Assistance - CARES Act - Chicago	59.043	SBAHQ-20-C-0181		May 1, 2020 - April 30, 2022	206,876
COVID-19 Women's Business Ownership Assistance - CARES Act - Aurora	59.043	SBAHQ-20-C-0150		May 1, 2020 - September 30, 2021	327,531
Total Women's Business Ownership Assistance					<u>822,878</u>
Pass-through programs from Illinois Department of Commerce and Economic Opportunity: Small Business Development Centers	59.037	19-185141		January 1, 2020 - August 31, 2020	3,742
Small Business Development Centers	59.037	20-561141		January 1, 2020 - December 31, 2020	140,500
Small Business Development Centers	59.037	20-565141		January 1, 2021 - December 31, 2021	137,791
COVID-19 Small Business Development Centers - CARES Act	59.037	20-543141		April 1, 2020 - September 30, 2022	115,159
Total Small Business Development Centers					<u>397,192</u>
Total U.S. Small Business Administration					<u>1,220,070</u>
United States Department of the Treasury					
Pass-through programs from City of Chicago: COVID-19 - Coronavirus Relief Fund (Together Now Relief Fund)	21.019	135576		June 15, 2020 - December 31, 2020	1,660,510
Pass-through programs from Cook County of Illinois: Pass-through programs from Chicago Community Trust COVID-19 - Coronavirus Relief Fund (COVID-19 Recovery Small Business Assistance Program)	21.019	C202125817	937,892	March 1, 2020 - September 30, 2021	18,985,892
Pass-through programs from Illinois Department of Commerce and Economic Opportunity COVID-19 - Coronavirus Relief Fund (Business Interruption Grant)	21.019	20-482006		July 1, 2020 - June 30, 2021	11,105,000
Total United States Department of the Treasury *			<u>937,892</u>		<u>31,751,402</u>
Total Expenditures of Federal Awards			<u>937,892</u>		<u>\$ 33,168,431</u>

See Independent Auditors' Report and Notes to Schedule of Expenditures of Federal Awards

* Denotes a major program

**WOMEN'S BUSINESS DEVELOPMENT CENTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of WBDC and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of WBDC, it is not intended to and does not present the financial position, changes in net assets or cash flows of WBDC.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

WBDC has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 – LOANS AND LOAN GUARANTEES

WBDC did not receive loans or loan guarantees for the year ended June 30, 2021.

NOTE 5 – NON-CASH ASSISTANCE

WBDC did not receive non-cash assistance for the year ended June 30, 2021.

NOTE 6 – INSURANCE

WBDC did not receive insurance assistance to reimburse losses for the year ended June 30, 2021.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Women's Business Development Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **Women's Business Development Center ("WBDC")**, a nonprofit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the WBDC's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the WBDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the WBDC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the WBDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dado J. Renteria". The signature is written in a cursive style with a large initial 'D'.

Chicago, Illinois
December 16, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Women's Business Development Center

Report on Compliance for Each Major Federal Program

We have audited **Women's Business Development Center's ("WBDC")** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the WBDC's major federal programs for the year ended June 30, 2021. The WBDC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the WBDC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the WBDC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the WBDC's compliance.

Opinion on Each Major Federal Program

In our opinion, the WBDC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the WBDC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the WBDC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the WBDC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Chicago, Illinois
December 16, 2021

**WOMEN'S BUSINESS DEVELOPMENT CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

- 1) Type of report the auditors issued on whether the financial statements audited were prepared in accordance with GAAP: **Unmodified**
- 2) Internal control over financial reporting:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified? _____ Yes X None reported
- 3) Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

- 1) Internal control over major federal programs:
- Material weakness(es) identified? _____ Yes X No
 - Significant deficiency(ies) identified? _____ Yes X None reported
- 2) Type of auditors' report issued on compliance for major federal programs: **Unmodified**
- 3) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B Programs: _____ \$995,072

Auditee qualified as low risk auditee? _____ X Yes _____ No

**WOMEN'S BUSINESS DEVELOPMENT CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

**WOMEN'S BUSINESS DEVELOPMENT CENTER
ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT
For the Year Ended June 30, 2021**

CSFA Number	Program Name	State	Federal	Other	Total
420-00-2452	Business Interruption Grant	\$ -	\$ 11,105,000	\$ -	\$ 11,105,000
420-35-0069	Procurement Technical Assistance For Business Firms	-	127,387	127,408	254,795
420-35-0083	Small Business Development Centers	-	397,192	282,386	679,578
420-45-2348	Cannabis Regulation and Tax Act Social Equity Program	194,323	-	-	194,323
	Other Grant Programs and Activities	-	21,538,852	-	21,538,852
	All Other Costs Not Allocated	-	-	3,188,086	3,188,086
	Totals	<u>\$ 194,323</u>	<u>\$ 33,168,431</u>	<u>\$ 3,597,880</u>	<u>\$ 36,960,634</u>